

## OIL AND GAS LEASE (PAID-UP)

*Npar. LLC  
6802 W. Snowville Rd.  
Suite E.  
Brecksville, OH.  
44141*

This Paid-Up Oil and Gas Lease (the "Lease") is made and entered in to this 3<sup>rd</sup> day of December 2010, and is by and between Todd R. Kettler and Dawn R. Kettler, husband and wife, whose address is RD 1 Box 392, Moundsville, WV 26041, as Lessor, (whether one or more), and NPAR, LLC, whose address is 6802 W. Snowville Rd., Suite E, Brecksville, OH 44141, as Lessee.

(1) LEASE - In consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt of which is hereby acknowledged, and in further consideration of the covenants and agreements herein contained, Lessor hereby leases and lets exclusively to Lessee, its successors and assigns, for the purpose of exploring for, developing, producing and marketing oil and gas, including methane gas present in any coal seam, along with all hydrocarbon substances produced in association therewith, the following described land:

(2) DESCRIPTION - All that certain tract of land situate in Washington District, Marshall County, West Virginia, being duly bounded and described as follows:

On the North by: Hoskins

On the East by: Geho

On the South by: Johnson

On the West by: Kelch

Tax Parcel Nos.: 14-13-2 (89.00 acres), 14-13-3 (15.146 acres), 14-13-2.1 (4.195 acres) and 14-13-3.1 (.162 acres)

Containing 108.503 acres, more or less, being the same land conveyed by Deed recorded in the public records of Marshall County, WV in Book 630 at Page 432. Such land Leased hereunder being known and referred to herein as the "Leased Premises". This Lease includes any interest in said land which Lessor hereafter acquires by reversion, prescription or otherwise.

(3) TERM - Subject to the other provisions contained herein, this Lease shall be in force for a primary term of five (5) years from the date of this Lease and for so long thereafter as oil, gas or other substances covered hereby are produced in paying quantities from the Leased Premises or from lands pooled therewith or this Lease is otherwise maintained pursuant to the provisions hereof.

(4) ROYALTY PAYMENT - (a) For crude oil, including condensate, Lessee shall pay to the Lessor, as royalty, free of production cost, Eighteen and three-quarter percent (18.75%) of the proceeds realized by Lessee from the sale of all crude oil produced and sold from the Leased Premises; and (b) For gas (including casing-head gas) and all other substances covered hereby, the royalty shall be Eighteen and three-quarter percent (18.75%) of the proceeds realized by Lessee from the sale thereof, with no deduction of any costs incurred by Lessee or its affiliates to gather, transport, compress, dehydrate or otherwise treat such gas prior to the point of custody transfer into pipelines or other facilities owned by a regulated utility or pipeline company or a non-affiliated third party.

If the Lessee chooses to make this Lease part of a unit for an enhanced recovery project and surplus gas is marketed from that unit, then any payment for gas marketed shall be divided pro rata among the various Lessors in such unit in accordance with the number of acres each owns in said unit from which gas is taken in the recovery, provided however, that if Lessee produces or purchases gas outside the unit and uses it in said unit, then Lessee shall pay for gas marketed only to the extent that it exceeds the outside gas produced or purchased. Lessee may use gas produced from the Leased Premises, without charge, for injection into wells located on said Leased Premises or on a unit of which the Leased Premises is part, and for said purpose may commingle said gas with gas produced elsewhere.

(5) LESSOR'S INTEREST - If Lessor owns a less interest in the Leased Premises than the entire and undivided estate herein Leased, then the royalties, shut-in royalties and rentals herein provided shall be paid by Lessee only in the proportion to which Lessor's interest bears to the whole and undivided estate. If the Leased Premises shall hereafter be subdivided, the subdivided premises shall nevertheless be developed and operated as one Lease, and all royalties accruing hereunder shall be treated as an entirety, and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each owner bears to the entire Leased Premises.

(6) RENTAL PAYMENT - This Lease is made on the condition that it will become null and void and all rights hereunder shall cease and terminate unless work for the drilling of a well is commenced on the Leased Premises or lands pooled herewith within thirty (30) days from the date of this Lease and prosecuted with due and reasonable diligence, or unless the Lessee pays to the Lessor, in advance, every twelve (12) months until work for the drilling of a well is commenced, the rate of Seven Hundred and no/100 Dollars (\$ 700.00 ) per net acre leased for each twelve (12) months during which the commencement of such work is delayed.

Payment or tender of all moneys due Lessor hereunder may be made by check or draft mailed or tendered to Lessor either:

(a) To the Lessor direct, at the address above stated;

(b) If the Lessor consists of two or more persons, then to \_\_\_\_\_, who is hereby appointed the agent of the Lessor to receive such payments;

(7) CONTINUING OPERATIONS - If, at the end of the primary term or any time thereafter, this Lease is not being kept in force by any other provision hereof, but Lessee is then engaged in drilling, reworking or any other operation calculated to obtain production on the Leased Premises or lands pooled therewith, this Lease shall remain in force as long as such operations are conducted in a reasonably prudent manner and, if such operations result in the production of any substance covered hereby, as long thereafter as production continues in paying quantities.

(8) POOLING - Lessee is hereby granted the right to pool or unitize the Leased Premises, or any part thereof, with any other property for the production of any substance covered hereby, so as to create one or more drilling or production units. Said drilling or production units shall not exceed six hundred forty (640) acres. In the event this Lease is so unitized, the Lessor agrees to accept in lieu of the royalty herein before recited, such proportion of the royalty above provided as the acreage contributed by this Lease bears to the total acreage comprising the unit.

Lessee shall create the unit by executing an instrument identifying and describing the pooled acreage and shall mail a copy thereof to the Lessor's last known address. Lessee shall have the recurring right to revise any unit formed hereunder either before or after commencement of production. In the event of a revision, Lessee shall execute a written instrument describing the revised unit and stating the effective date of the revision. Lessee shall mail a copy thereof to the Lessor's last known address and the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination.

Production, drilling or reworking operations anywhere on a unit which includes all or any part of the Leased Premises shall, except for the payment of royalties, be treated as if it were production drilling or reworking operations on the Leased Premises.

In the event Lessee deems it necessary to pool the Leased Premises with other lands and/or leases so as to form a production unit, as provided in Paragraph 8 hereof, it is understood and agreed that all (100%) of the Leased Premises shall be included in any such unit. The only exception to the foregoing being that Lessee may divide the Leased Premises between more than one unit, provided that (a) the entire Leased Premises is divided between such units so that all (100%) of the Leased Premises is contributed to such units; and (b) Lessee receives Lessor's written consent prior to establishing any such multiple units in which all of the Leased Premises is part.

(9) ~~GAS STORAGE~~ — Lessee shall have the exclusive right, upon written notice to the Lessor, to use any formation underlying the Leased Premises for the storage of gas and shall have all rights necessary to store and produce such stored gas. Lessee agrees to pay Lessor an annual rental of Ten Dollars (\$10.00) per acre for all lands which Lessee wishes to use for the storage of gas payable in advance while the premises are so used and so long as storage payment is made all provisions of this Lease shall remain in full effect.

~~Lessee further agrees to pay Lessor, as liquidated damages for the drilling, operation and maintenance of each well on the Leased Premises which is utilized for the storage of gas, as well as for the necessary or useful surface rights and privileges relating thereto, the sum of Six Hundred Dollars (\$600.00) payable in one sum within three (3) months after each well now existing or hereafter drilled upon the Leased Premises is so utilized. Lessee agrees to give Lessor written notice of the use of the Leased Premises or any well drilled thereon for the storage of gas. The storage rights may be assigned or exercised in conjunction with other Leases in the general vicinity.~~

(10) ANCILLARY RIGHTS - Lessor grants to the Lessee the right to ingress and egress over, under and through said Leased Premises with the right to transport by pipelines or otherwise, oil, gas, water and their constituents from the Leased Premises and other lands regardless of the source of such substances and the exclusive right of injecting water, air, brine, gas and other fluids into subsurface strata. The right of ingress and egress granted hereby shall apply to the entire Leased Premises notwithstanding any release or other termination affecting any portion thereof. The right of placing electric and telephone lines over the Leased Premises; the right to erect necessary buildings, tanks, towers, stations or other structures thereon; the right to use free from royalty sufficient oil, gas and water produced from the Leased Premises for all operations thereon (provided it finds water at its own expense); the right to subdivide and release the premises and the right to surrender this Lease at any time and thereupon to be discharged from all obligations, covenants and conditions herein contained.

When requested by Lessor in writing, Lessee shall bury its pipelines below plow depth in areas utilized for farming operations. No well shall be located within two hundred (200) feet from any house now on the Leased Premises without Lessor's consent and Lessee shall pay for damage caused by its operations to buildings and growing crops thereon. Lessee shall have the right to remove its fixtures, equipment and materials, including well casing, from the Leased Premises during the term of this Lease and within a reasonable time thereafter.

(11) SHUT-IN ROYALTY — If beyond the initial primary term of this Lease, which is paid-up for the initial five (5) year primary term, and notwithstanding anything herein to the contrary, if all wells on the Leased Premises, or on a unit that includes all or a part of the Leased Premises, capable of producing gas in paying quantities are shut-in for a period of one year and there is no current production of oil or operations on the Leased Premises sufficient to keep this Lease in force or when this Lease is not otherwise kept in force by other provisions of this Lease, the Lessee may maintain this Lease in effect by tendering to Lessor a shut-in royalty equal to the delay rental provided for herein. Said shut-in gas royalty shall be paid or tendered to the Lessor on or before the end of each year in which the wells are shut-in. Upon payment of the shut-in gas royalty as provided herein, this Lease will continue in force during all of the time or times while such wells are shut-in.

(12) TAXES - All taxes assessed or payable on the oil and gas or any increase in the real estate taxes, or taxes in lieu of real estate taxes, because of the oil and gas or operations under this Lease shall be paid by the parties hereto in proportion to their interest.

(13) FORCE MAJEURE - When drilling or other operations are delayed or interrupted by storm flood, fire, or other acts of God, war, rebellion, insurrection, riot, strikes, differences with workmen or failure of carriers to transport or furnish facilities for transportation, or as a result of some law, order or regulation of the government, or as a result of shortage in material or equipment, or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruptions shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding. This Lease shall not be terminated in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of any such law, order, rule or regulation or any event beyond the control of the Lessee. If from such cause Lessee is prevented from conducting drilling or reworking operations on the Leased Premises or producing oil or gas from the Leased Premises, or lands pooled therewith, the time while the Lessee is so prevented shall not be counted against Lessee and this Lease shall be extended for a period of time equal to that during which the Lessee is so prevented.

(14) DEFAULT - No default shall be declared against the Lessee for failure to make payment or perform any conditions provided for herein unless the Lessee shall refuse or neglect to pay or perform the same for forty-five (45) days after having received written notice from Lessor via certified US Mail of any possible breach of this Lease and the terms contained herein.

(15) SUCCESSORS AND ASSIGNS - All covenants and conditions between the parties hereto shall extend to their heirs, executors, successors and assigns and the Lessor hereby generally warrants and agrees to defend the title to the Leased Premises, but no change or division in ownership of the Leased Premises shall operate to enlarge the obligations or diminish the rights of the Lessee. Lessor agrees that the Lessee, at its option, may pay, discharge or redeem any taxes, mortgages or other liens existing, levied or assessed on or against the premises, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.

(16) ARBITRATION - Any question concerning this Lease or performance thereunder shall be ascertained and determined by three disinterested arbitrators, one thereof to be appointed by the Lessor, one by the Lessee and the third by the two so appointed as aforesaid, and the award of such three persons shall be final and conclusive. The cost of such arbitration will be borne equally by the parties.

(17) ACCEPTANCE - This Lease shall be deemed to be accepted by the Lessee upon execution by the undersigned duly authorized official of the Lessee.

(18) WAIVER IN WRITING - The failure of either party to enforce or exercise any provision of this Lease shall not constitute or be considered as a waiver of the provision in the future unless the same is expressed in writing and signed by the respective parties.

(19) **FREE GAS PAYMENT** - In the event a gas well is drilled on the Leased Premises, Lessee shall pay to Lessor a cash payment of Two Thousand and no/100 Dollars (\$2,000.00). Said payment shall be made annually by Lessee on or before the end of the first quarter of each calendar year for as long as such gas well remains productive.

(20) The location of any well, access road or pipeline on the Leased Premises shall be mutually agreed upon by Lessor and Lessee, which consent shall not be unreasonably withheld by Lessor. The foregoing notwithstanding, without the prior written consent of the Lessor, Lessee will not be permitted to enter that portion of the Leased Premises contained in the area outlined in red on the attached "Map 1" for the purposes of excavating or constructing any well location/pad, road, water impoundment area (frac pond) or any other related activities. The red outlined area on such "Map 1", which is attached hereto and made a part hereof, designates that portion of the Leased Premises that will be considered as the "Non-Surface/No-Drilling Area" under the terms of this Lease.

(21) Lessee shall indemnify and hold Lessor harmless from and against any and all direct and indirect liability, loss, cost, injury, damages, and expenses (including Attorney's fees) to any person or property arising from or in connection with the performance of its drilling and production operations and any damages or injury by or arising from any act of negligence, omission, or default of the Lessee in connection with its drilling and production operations on the Leased Premises.

(22) As compensation to Lessor for the construction, use and continuing operation of each common area of the Leased Premises utilized by Lessee for the drilling of a well or wells, including the access road to and from such common area (a "Drill Pad"), Lessee shall pay Lessor the sum of Ten Thousand Dollars (\$10,000) or Three Thousand Dollars (\$3,000) for each acre of excavated (disturbed) area of the Leased Premises, whichever of the two is greater, for any Drill Pad actually located on the Leased Premises, but not on lands pooled therewith. If only a portion of any Drill Pad is on the Leased Premises, Lessor shall be entitled to receive a proportionate share of either the \$10,000 or \$3,000 per acre payment mentioned above, based on how much of the Leased Premises are considered part of the subject Drill Pad, including the related access road to such Drill Pad. For the purpose of effectively calculating the disturbed area, payment related to a Drill Pad shall be made to Lessor within thirty (30) days following completion of the construction of the corresponding Drill Pad and/or related access road.

(23) In the event any activity carried on by Lessee, pursuant to the Lease, disturbs, injures, or damages fresh water source or wells on the Leased Premises, Lessee shall, at its sole cost and expense, use its best efforts to repair or correct any such disturbance, injury, or damage.

(24) All access roads used by the Lessee pursuant to its drilling and producing operations on the Leased Premises shall be kept in a passable condition, free of significant ruts. Lessee shall utilize shale, gravel, or crushed stone and sluice pipes, where necessary, to maintain the condition of the roads. Upon request of Lessor, Lessee shall erect and maintain a gate on any access road used by Lessee. If the gate is locked, a key shall be furnished to the Lessor.

(25) Lessor hereby warrants that Lessor is not currently receiving any bonus, rental, production royalty as the result of any prior oil and gas lease covering any or all of the Leased Premises, and that there are no commercially producing wells currently existing on the Leased Premises, or upon other lands within the boundaries of a drilling or production unit utilizing all or a part of the Leased Premises.

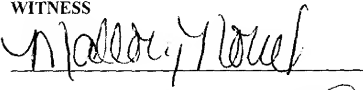
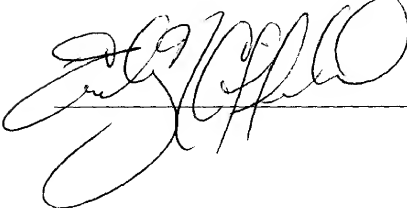
(26) **PAID-UP LEASE** - Lessor hereby acknowledges receipt of payment in advance of all rentals set forth in Paragraph 6 herein above which are or may become due and payable for the five (5) year primary term set forth in Paragraph 3 herein above, and this Lease is therefore paid up through said five (5) year primary term.

(27) This Lease covers only those depths/geologic formations found from the top of the Tully Limestone down to a depth that is 100 feet below the base of Marcellus Shale formation; however, Lessee shall have all rights necessary to drill through and set casing in all depths/formations from the surface of the earth down to 100 feet below the base of such Marcellus Shale. During the term of this Lease, however, Lessee shall have a continuing right of first refusal to match any bona fide offer Lessor receives from a third party to lease the drilling and production rights for oil and/or gas related to the depths/formations not specifically granted to the Lessee under this Lease. Lessee shall have thirty (30) days from receipt of a written notice from Lessor of such bona fide offer within which to agree to match the terms and conditions thereof. Failure of Lessee to respond within the 30 days shall be considered as a waiver of its option to match the offer.


(28) Provided that Lessor is the current surface owner of the Leased Premises at the time of Lessee's surface operations thereon, Lessee agrees to pay Lessor at a reasonable rate for all surface damages caused by Lessee's operations to growing crops and/or marketable trees/timber.

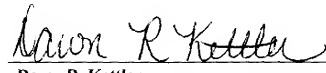
IN WITNESS WHEREOF, the parties have hereunto signed this Lease as of the date first above written.

WITNESS

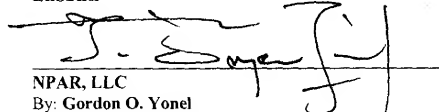
  


LESSOR

  
**Todd R. Kettler**  
 Social Security No. 232-06-5561  
 Phone No. 304-845-7494

  
**Dawn R. Kettler**  
 Social Security No. 295-72-6728  
 Phone No. 304-845-7494

LESSEE

  
**NPAR, LLC**  
 By: **Gordon O. Yonel**  
 Its: **Chief Executive Officer**

## ACKNOWLEDGEMENTS

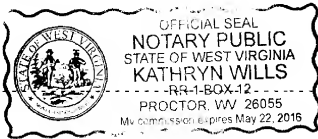
State of West Virginia )  
 ) Ss:  
 County of Marshall )

On this 3 day of December 2010, before me, the undersigned, a Notary Public in and for said state, personally appeared Todd R. Kettler and Dawn R. Kettler, husband and wife, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names are subscribed to the within instrument as the Lessor and who acknowledged to me that they executed the same in their capacities as Lessor, and that by their signatures on this annexed Lease, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: 5-22-16

(SEAL)



Kathryn Wills  
 Notary Public

State of Ohio :  
 : Ss  
 County of Cuyahoga :

On this the 20 day of December 2010, before me personally came Gordon O. Yonel, who, being by me duly sworn, did depose and say that he is the Chief Executive Officer for NPAR, LLC, the limited liability company described in and which executed the annexed Lease; and that he signed his name thereto by the requisite authority vested in him by said limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal

My Commission Expires: 11-9-13

(SEAL)



**PATRICIA A. GILL**  
 NOTARY PUBLIC  
 STATE OF OHIO  
 STARK COUNTY  
 My Comm. Expires  
 November 9, 2013

Patricia A. Gill  
 Notary Public

Jan Pest  
 MARSHALL County 01:14:14 PM  
 Instrument No 1299453  
 Date Recorded 02/03/2011  
 Document Type O&G  
 Pages Recorded 4  
 Book-Page 722-474  
 Recording Fee \$5.00  
 Additional \$6.00

This lease was prepared by:  
 NPAR, LLC  
 6802 W. Snowville Road  
 Suite E  
 Brecksville, OH 44141

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 3rd day of December, 2010, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 3rd day of February, 2011 at 1:14 o'clock P.M.

TESTE: Jan Pest Clerk.